2007-03047/



**Ottawa, June 14, 2006**
**2006-023**

# Minister of Finance Releases White Paper to Make the Financial Services Sector More Efficient and Consumer-Friendly

***Related document:***

- 2006 Financial Institutions Legislation Review: Proposals for an Effective and Efficient Financial Services Framework

---

The Honourable Jim Flaherty, Minister of Finance, today released a white paper entitled *2006 Financial Institutions Legislation Review: Proposals for an Effective and Efficient Financial Services Framework*.

"The proposed recommendations will go a long way towards eliminating red tape, improving disclosure to consumers and fostering a strong and dynamic financial sector," said Minister Flaherty. "Proposals will also allow new technology to benefit consumers and small businesses through reduced maximum holding periods for cheques."

The Government of Canada regularly reviews the statutes that govern federally regulated financial institutions, including domestic and foreign banks, trust companies, insurance companies and cooperative credit associations. In order to provide Parliament with sufficient time to consider this important legislation, the Government extended the sunset date for the financial institutions statutes by six months from October 24, 2006 to April 24, 2007.

The proposals set out in the white paper aim to enhance the interests of consumers and businesses, increase legislative and regulatory efficiency, and adapt the framework to new developments.

The proposed changes include:

- Providing greater and more timely disclosure to consumers in areas such as deposit-type investment products and complaint-handling procedures.
- Streamlining ministerial transaction approvals to make the process more efficient.
- Allowing for the introduction of electronic cheque imaging—a new

technology that would reduce the time consumers and small businesses must wait for their cheques to clear.

- Lowering the mortgage down payment consumers are required to make before the law requires the purchase of mortgage insurance.

- Making it easier for credit unions to establish cooperative credit associations as a means of expanding their business opportunities.

The Government will now proceed to draft legislation to implement the policy proposals laid out in the white paper so that the legislation can be introduced in the House of Commons this fall.

Any additional comments on the implementation of the proposals set out in the paper should be forwarded by July 21, 2006, to the Department of Finance. Comments may be provided in writing by post or by e-mail. See the Department's website for details.

---

For further information, media may contact:

Eric Richer
Press Secretary
Office of the Minister of Finance
613 996-7861

David Gamble
Media Relations
Department of Finance
613 996-8080

*If you would like to receive automatic e-mail notification of all news releases, please visit the Department of Finance website at www.fin.gc.ca/scripts/register_e.asp.*

---

Last Updated: 2006-06-14 Important Notices